PC Tools acquires Novatix

"Cyberhawk" product continues PC Tools tradition of damaging Zango's software without user consent.

Exhibit__1__Page_20_

PC Tools acquisition after Zango's filing

SAN FRANCISCO, CA May 29, 2007 - PC Tools today announced the acquisition of Cyberhawk™ from Colorado-based Novatix Corporation and the establishment of a new advanced research office in Boulder. The acquisition adds a powerful new component to the advanced security solutions offered by the leading Internet security vendor.

"We were impressed with the exceptionally strong team at Novatix and their superior behavioral-based malware detection technology. The acquisition is of strategic importance for PC Tools as the technology is a perfect fit with our market leading security products," said Simon Clausen, CEO of PC Tools.

Novatix's flagship product, Cyberhawk™, features cutting-edge real-time behavioral protection technology that provides the perfect complement to traditional signature-based anti-malware programs. Cyberhawk's patent-pending ActiveDefense™ technology offers unsurpassed protection against both known and unknown viruses, worms, trojans, rootkits, buffer overflows and other forms of malware and provides effective protection against zero-day attacks.

"This new technology will help strengthen our zero-day coverage and improve our ability to detect emerging threats," said Clausen who explained that considering the strength of the current Novatix staff, and the depth of talent in the local market, it makes sense that Novatix's Boulder facility will continue to operate as an advanced research center focused on behavioral detection and emerging technologies. "Mike Kronenberg, the CEO of Novatix will remain on board as PC Tools' CTO of North American operations," Clausen added.
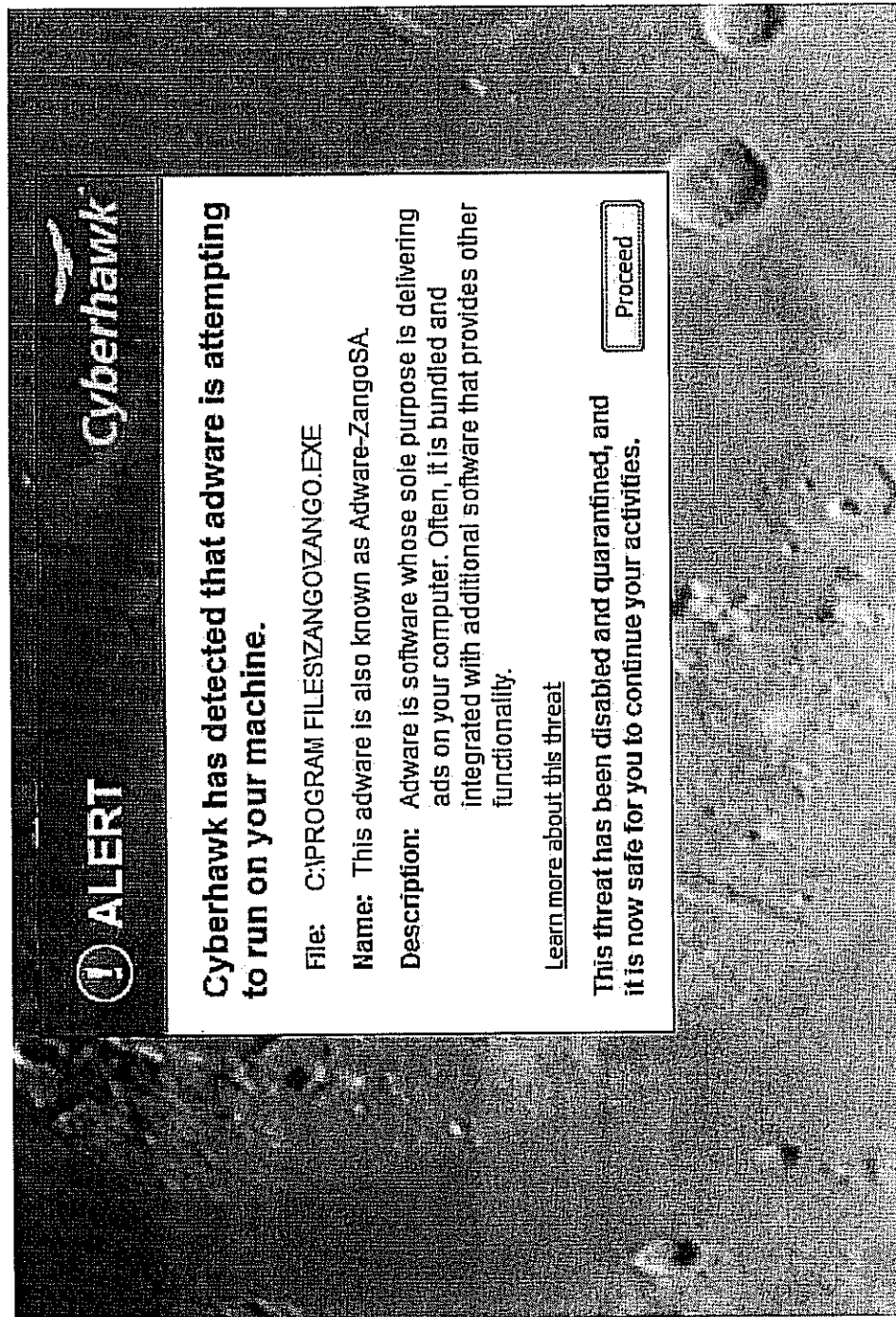
"We see this acquisition as a great fit for Novatix," said Kronenberg. "PC Tools is a leader in the anti-spyware and anti-virus space. Our combined efforts will ensure that consumers get the best protection possible. PC Tools' broad reach in the consumer marketplace ensures our highly effective technology will have an even greater impact."

"This acquisition is a part of our long term plan and underwent a rigorous evaluation process of best in class products; considerable attention was given to how the Novatix team and products would build synergy with PC Tools' offerings" said Michael Greene, Vice President of Product Strategy. "This is a major deal for us. It parallels our strategic business approach – by maintaining control of core technologies we create new opportunities for innovation."
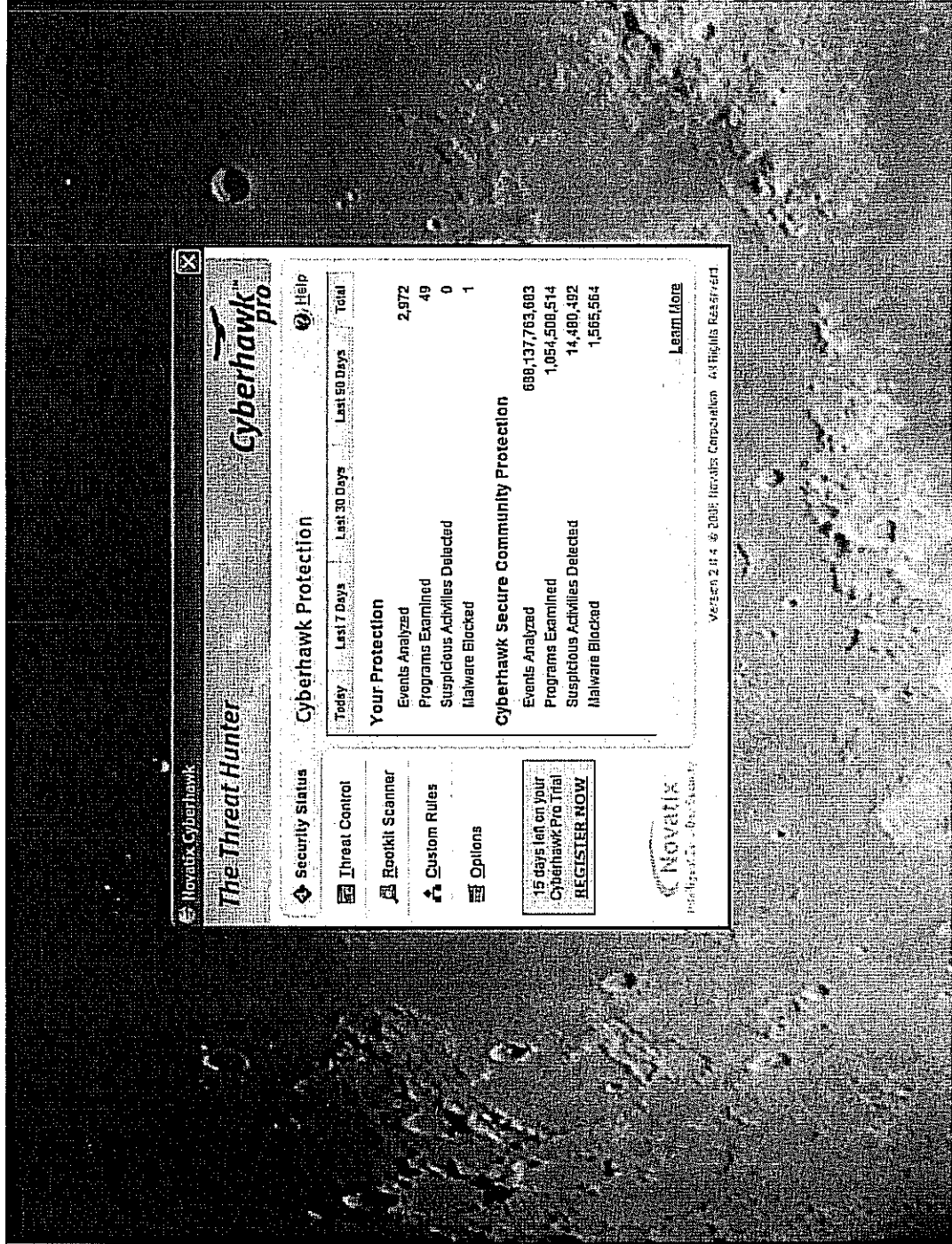
Exhibit __1__ Page __21__

"Cyberhawk" is yet another immediate threat to Zango's current and potential customers

- When Zango initially filed two weeks ago, PC Tools was offering the 5.0.0.169 version of its Spyware Doctor.

- In the past two weeks, PC Tools has released a 5.0.0.184, 5.0.0.185 and a 5.0.0.186 version of their software in addition to the currently shipping "Cyberhawk" product

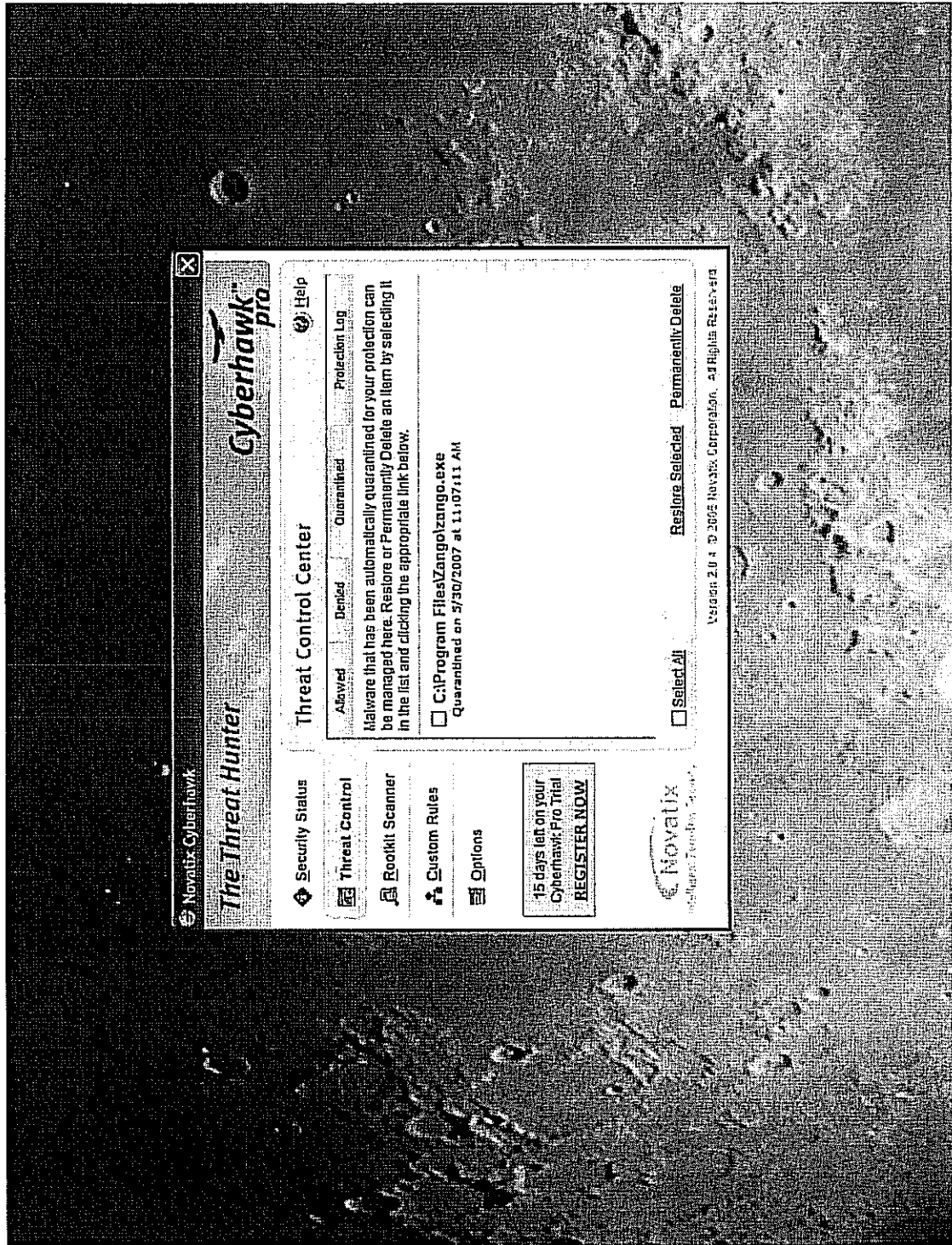- All screen shots taken on May 30th, the day after the PC Tools acquisition of Novatix

Exhibit __1__ Page __22__

Zango detected and "threat disabled"

Cyberhawk

ⓘ **ALERT**

Cyberhawk has detected that adware is attempting to run on your machine.

File: C:\PROGRAM FILES\ZANGO\ZANGO.EXE

Name: This adware is also known as Adware-ZangoSA.

Description: Adware is software whose sole purpose is delivering ads on your computer. Often, it is bundled and integrated with additional software that provides other functionality.

Learn more about this threat

This threat has been disabled and quarantined, and it is now safe for you to continue your activities.

[Proceed]

14 Million(!) Suspicious Activities Detected

Exhibit 1 Page 24

Zango – Automatically "Quarantined"

Exhibit L Page 25

Warning that Zango is "potentially malicious"

Exhibit 1 Page 26
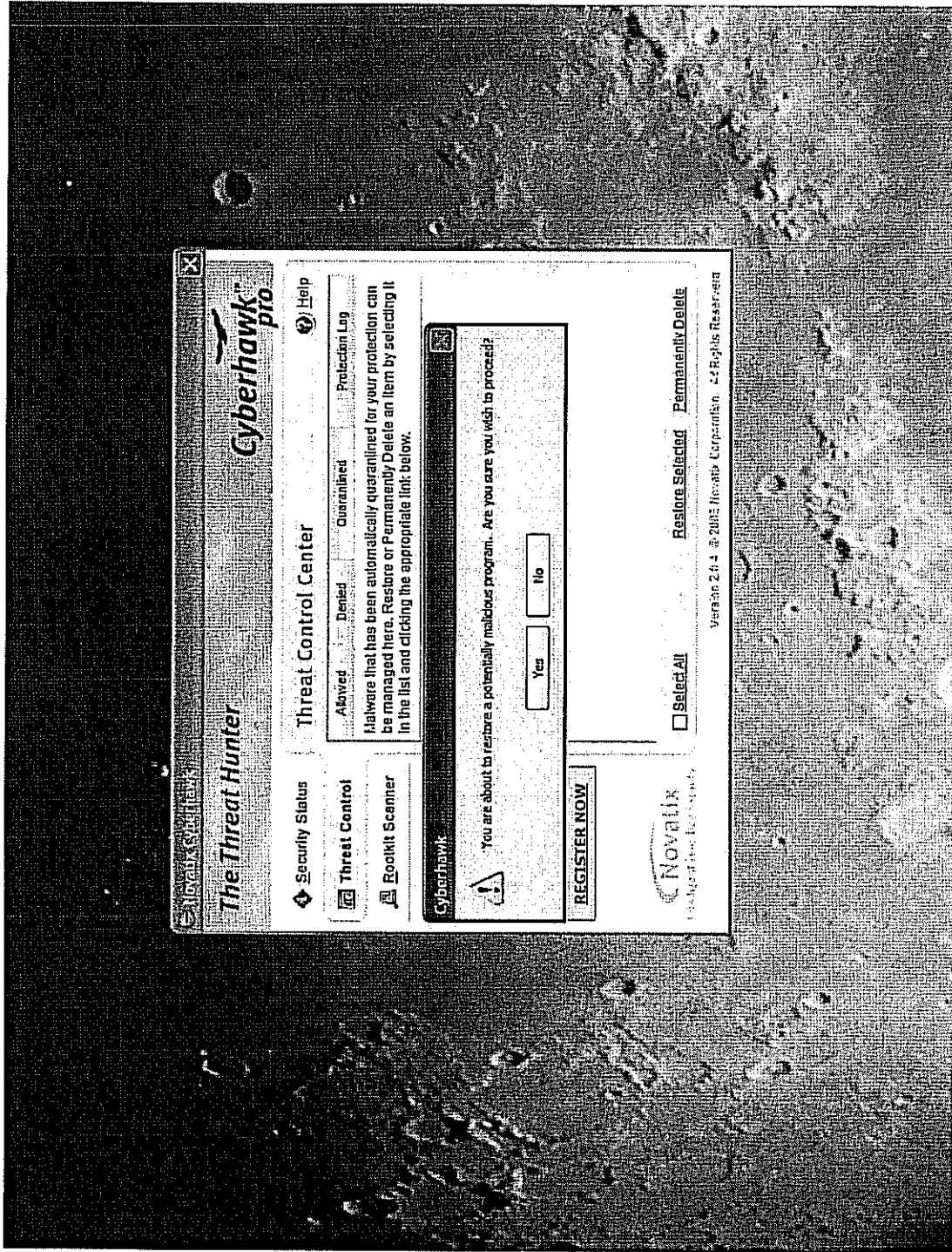
After accepting the "risks" Zango is disabled yet again (!)
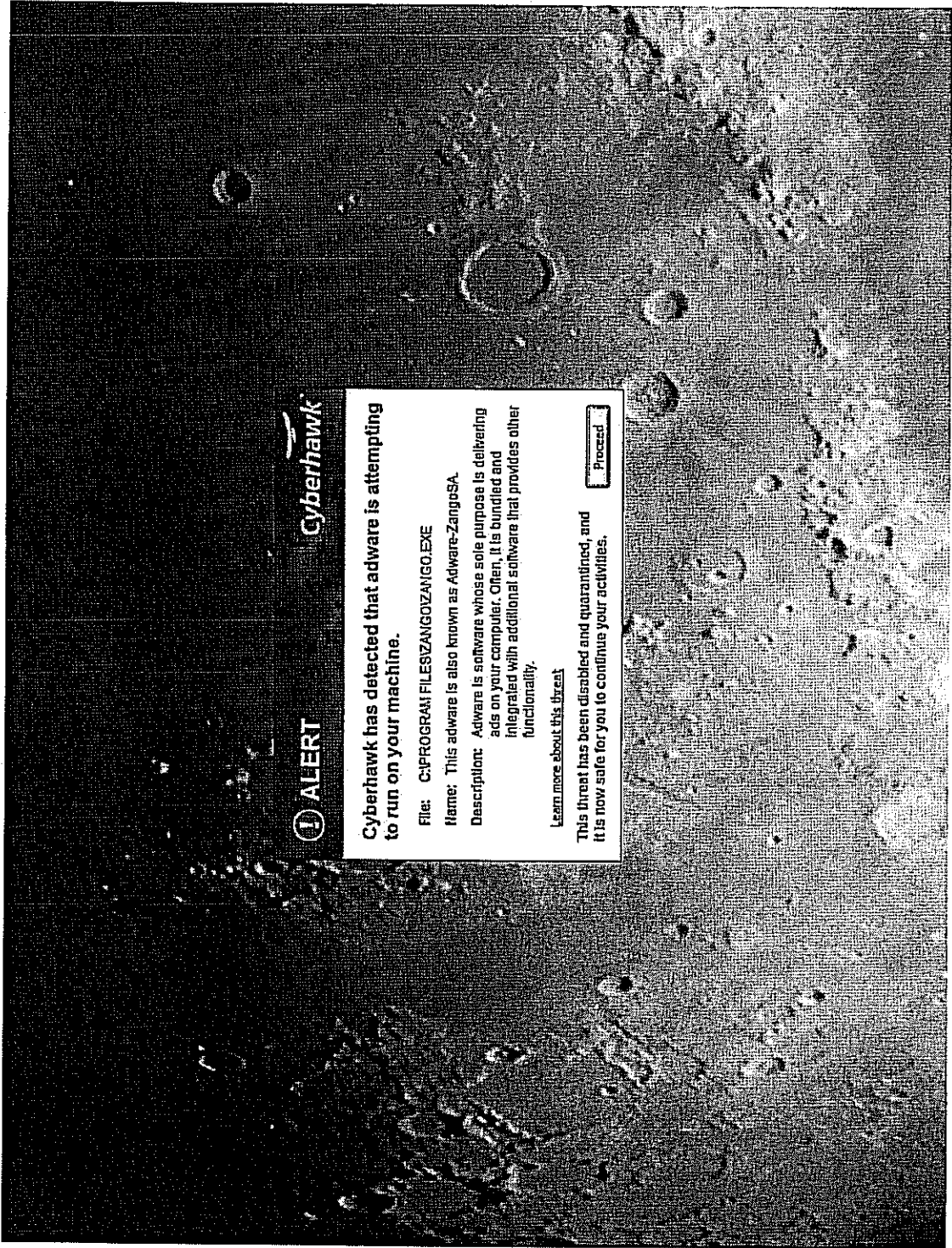
Cyberhawk damages Zango beyond any reasonable chance of working

- I installed Cyberhawk version 2.0.4 and it did not appear to damage Zango. I rebooted as instructed by Cyberhawk.

- After rebooting, I was greeting with a big ALERT that informed me that Cyberhawk detected adware on my machine, saying "this threat has been disabled and quarantined, and it is now safe for you to continue your activities." There are no user options. Clicking the "learn more about this threat" link takes me to a Google search for Zango.exe.

- Cyberhawk kills the Zango.exe process and removes it from c:\Program Files\Zango. Zango will obviously not show me ads, and I do not have access to content on Zango.com. The Zango toolbar continues to function uninterrupted.

- I can go into the Cyberhawk control panel, find the "Quarantined" tab under Threat Control, and restore Zango. Restoring it does not restart the Zango process, though. Unless I navigate to c:\Program Files\Zango and launch Zango.exe, I have to reboot for that to happen.....

- ...but when I reboot, Cyberhawk informs me that I have adware on my machine! Ridiculous. In short, only advanced computer users are going to be able to use Zango with Cyberhawk running, and they will have to manually restore the Zango process every time they reboot.

Exhibit __1__ Page __28__

Spyware Doctor 5.0.0.169
is still available all over the
internet

As of 5/31/07

Exhibit _2_ Page _29_

Spyware Doctor .169 is all over the internet available for download

Still causes the same harms that were originally the source of this complaint.

Despite PC Tools assertions, there is no Auto update feature contained in .169

The various website offering .169 is in addition to the millions of installed but not upgraded customers of .169 as downloaded from Google

The prevalence of .169 equates to on-going and irreparable harm to Zango

Only PC Tools can address the harm by updating the detection databases of these installed customers so that they no longer detect Zango software and prevent its installation

PC Tools can easily update the detection database even if the customer has chosen not to upgrade the client version. They do this many times a day as new threats are discovered.

All screen shots are from 5/31/07

Exhibit _2_ Page _30_

5.0.0.169 - Google Search

Web   Images   Video   News   Maps   Gmail   more ▾   Sign in

Google   5.0.0.169   [Search]   Advanced Search
                                                              Preferences

Web   Results **1 - 10** of about **40,200** for **5.0.0.169**. (0.15 seconds)

Spyware Doctor **5.0.0.169** beta - Downloads - PC Authority
Spyware Doctor **5.0.0.169** beta. Preview the latest anti-spyware tool 10 March 2007
Platform: Windows 2000,Windows XP Type: time limited demo **...**
business.pcauthority.com.au/download/spyware-doctor-500169-beta.aspx - 22k -
Cached - Similar pages

Spyware Doctor **5.0.0.169** Final :: Direct Download Free Software **...**
http://degrati2.dnsalias.com/site/Spyware.Doctor.**5.0.0.169**CRK.rar ·
http://www.divshare.com/download/277391-877. New comment. Comment. Send Add link.
www.degrati.com/index.php?no=596 - 15k - Cached - Similar pages

Spyware Doctor **5.0.0.169** Beta - System Utilities - System Security **...**
Spyware Doctor **5.0.0.169** Beta · KeyPass 4.5.4 · Digital MediaRescue Pro 4.4.2 **...**
Spyware Doctor **5.0.0.169** Beta · System Safety Monitor 2.4.0.614 **...**
www.onlinedown.com/detail/5718.htm - 33k - Cached - Similar pages

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Doctor **5.0.0.169** Keygen Full, Spyware Doctor **5.0.0.169** Keygen Keygen, **...**
0dayaccess.com/dl_full_version_crack_
serial_keygen_warez_Spyware_Doctor_5.0.0.169_Keygen.htm - 30k -
Cached - Similar pages

> Spyware Doctor **5.0.0.169** - Final Warez Download Full Version Crack **...**
> Spyware Doctor **5.0.0.169** - Final, Spyware Doctor **5.0.0.169** - Final Download, Spyware
> Doctor **5.0.0.169** - Final Full, Spyware Doctor **5.0.0.169** - Final Keygen, **...**
> 0dayaccess.com/dl_full_version_crack_serial_keygen_warez_Spyware_Doctor_5.0.0.169_-
> _Final.htm - 30k - Cached - Similar pages

Spyware Doctor **5.0.0.169** - Final » Flmsdown.Net Free Full **...**
Spyware Doctor? provides three-way spyware protection for your PC through real-time
threat blocking, advanced system scanning and immunization against known **...**
flmsdown.net/2007/03/23/spyware_doctor_500169_final.html - 82k - Cached - Similar pages

Download Spyware Doctor 5.0.0.186 FREE
Click here to start the download. Other Versions. Spyware Doctor 5.0.0.186 · Spyware
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fenopy.com/torrent/Spyware_Doctor_5_0_
0_169_FULL__MULTILANG_/NTUwNjM5/index.html&tab=related - 33k -
Cached - Similar pages

CrackDB.com - Spyware Doctor **5.0.0.169**EXE

CrackDB.com - lagest cracks database. Most recent updates of keygens, cracks, serials for
apps, programs and games! No Torrents!

Exhibit _2_ Page _31_

crackdb.com/get_97366_Spyware.Doctor.5.0.0.169EXE_crack.html - 31k - May 30, 2007 - Cached - Similar pages

[RS.com] - Spyware Doctor **5.0.0.169** - King Of Warez
Spyware Doctor **5.0.0.169** Guest Downloads. **...** Reload this Page [RS.com] – Spyware Doctor **5.0.0.169**. User Name, Remember Me? Password **...**
www.kingofwarez.com/showthread.php?p=42673 - 46k - Cached - Similar pages

1 2 3 4 5 6 7 8 9 10   **Next**

Download Google Pack: free essential software for your PC

| 5.0.0.169 | Search |

Search within results | Language Tools | Search Tips | Dissatisfied? Help us improve

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Spyware Doctor Vs. Zango and Hotbar

zango

Spyware Doctor Version

I downloaded Google Pack then entered my SD registration info. SD was automatically updated. (when using non registered version, SD behaves as before – Destroys Zango/Hotbar installation)
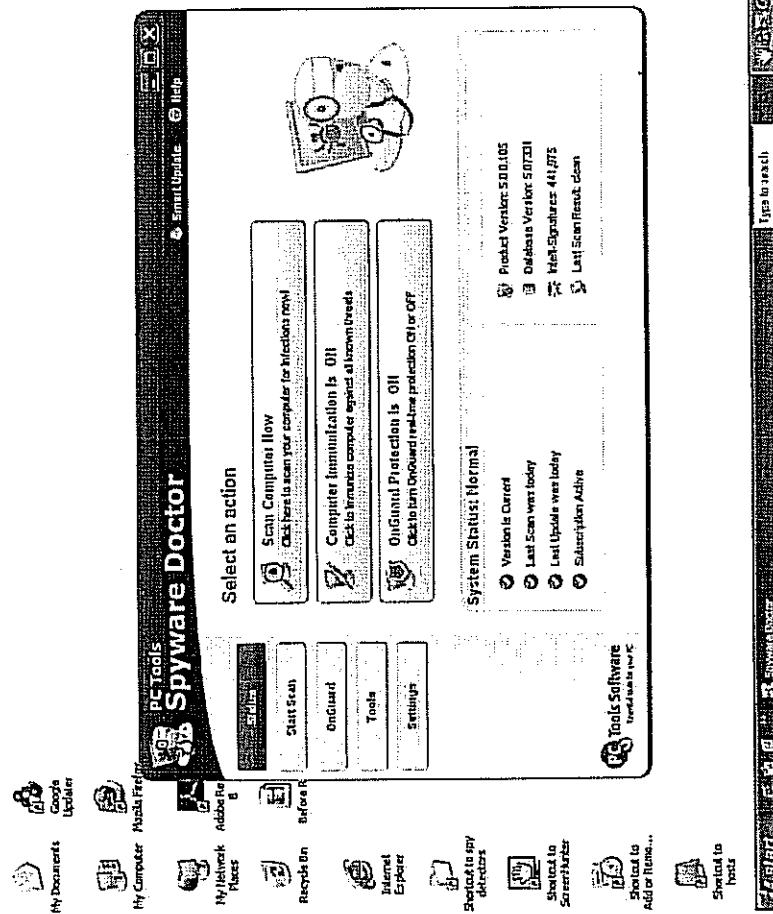
Spyware Doctor Vs. Zango

[zango]

Spyware Doctor vs. Zango

After Installation popups work:
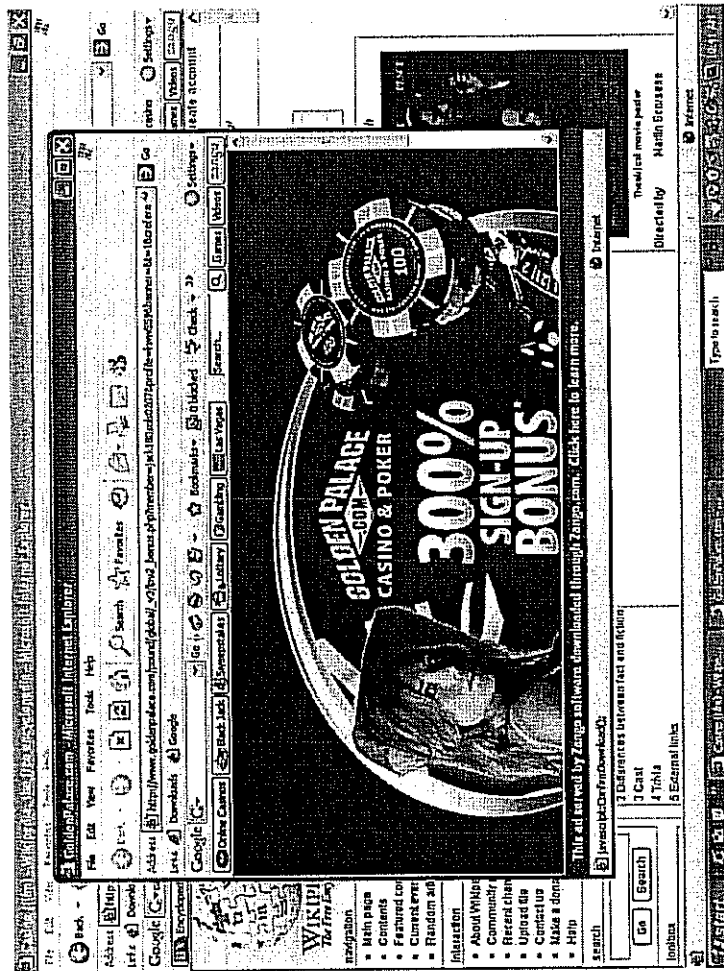
Spyware Doctor vs. Zango

Sudoko and Video work:
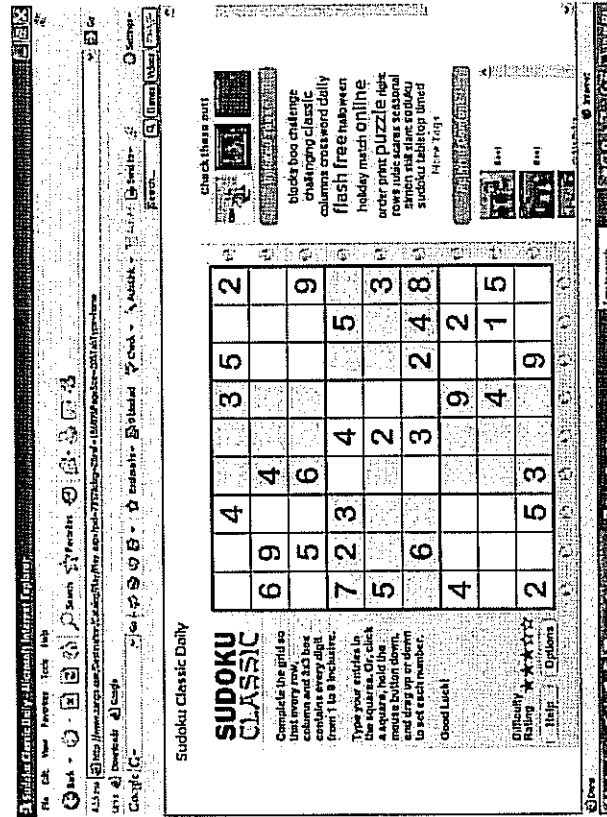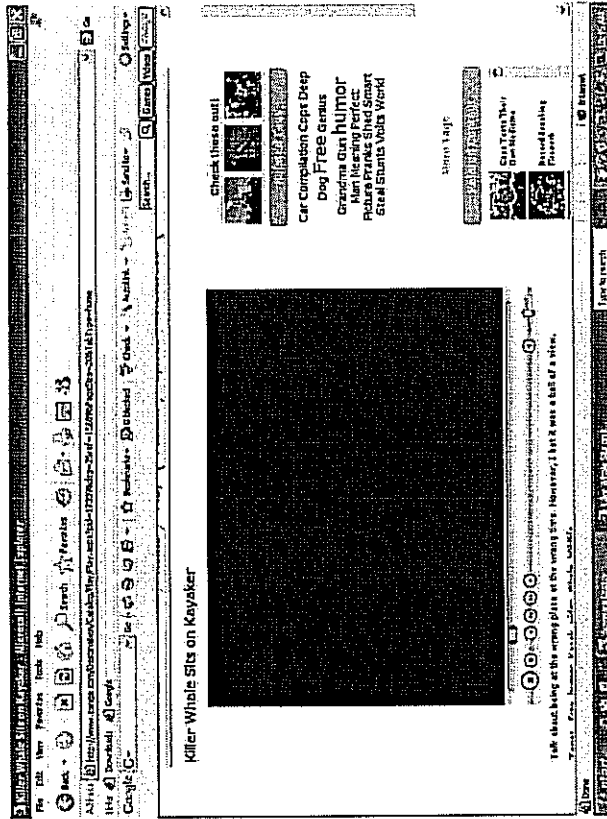
Spyware Doctor vs. Zango

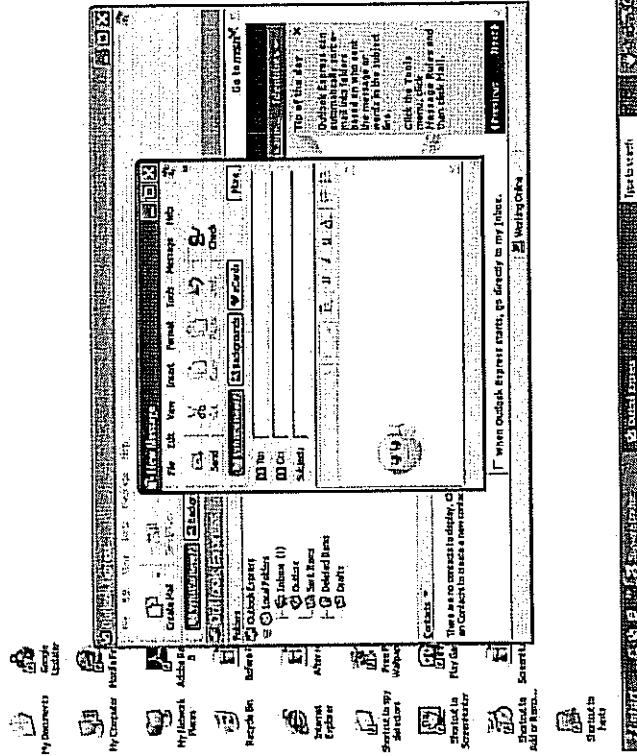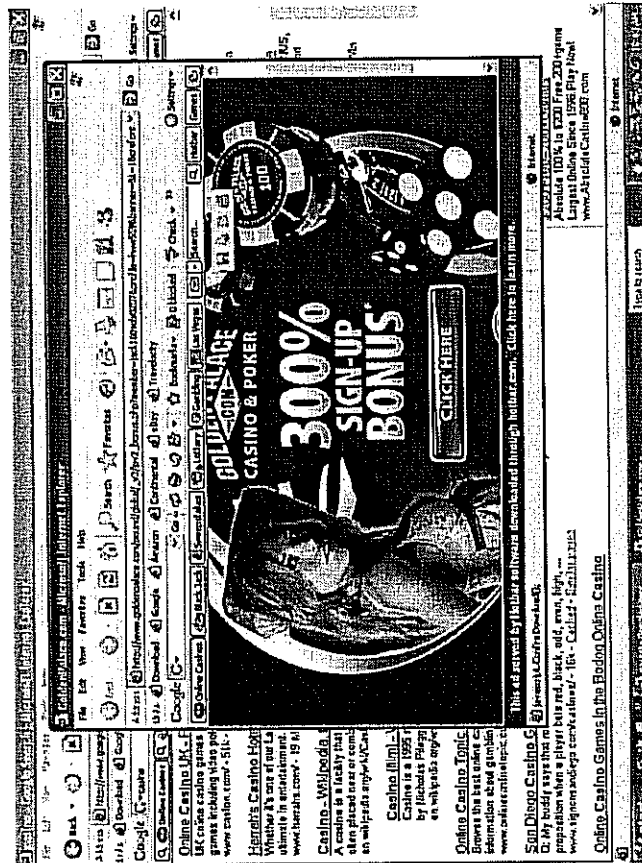Scan Results - Still detects Zango and removes it completely when choosing "Fix checked":

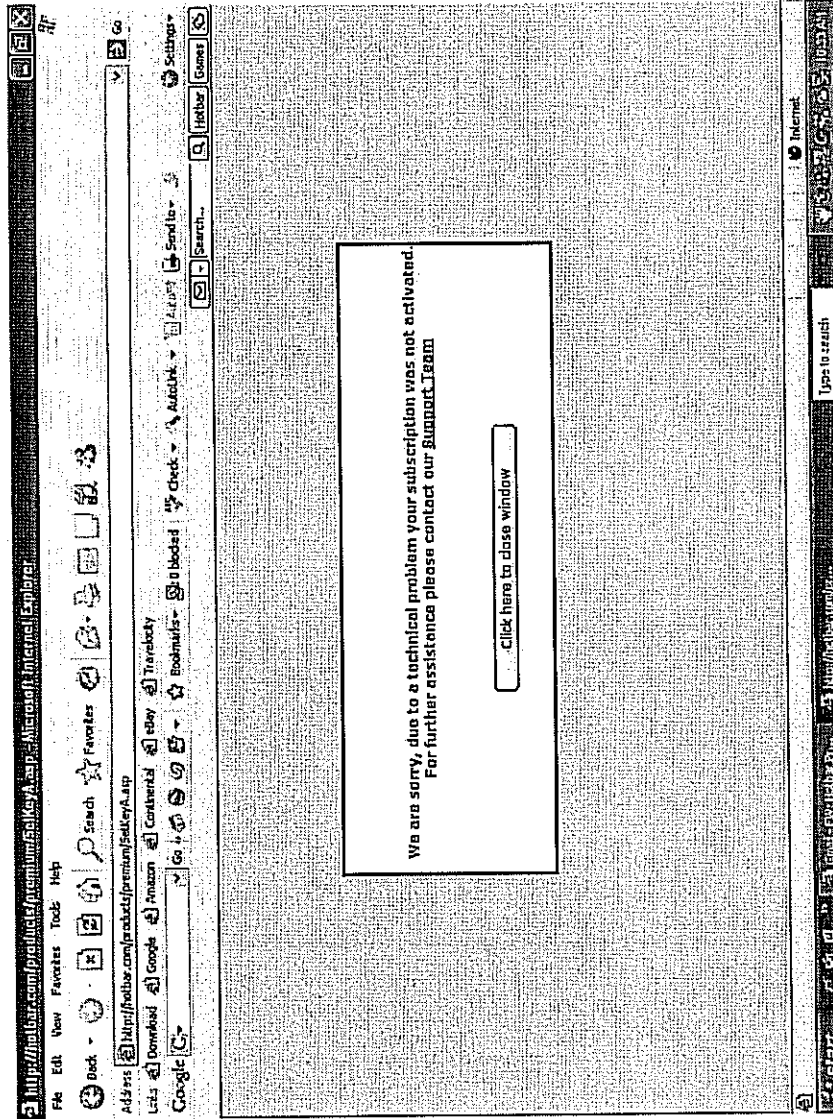# Spyware Doctor Vs. Hotbar

[zango]

Spyware Doctor vs. Hotbar

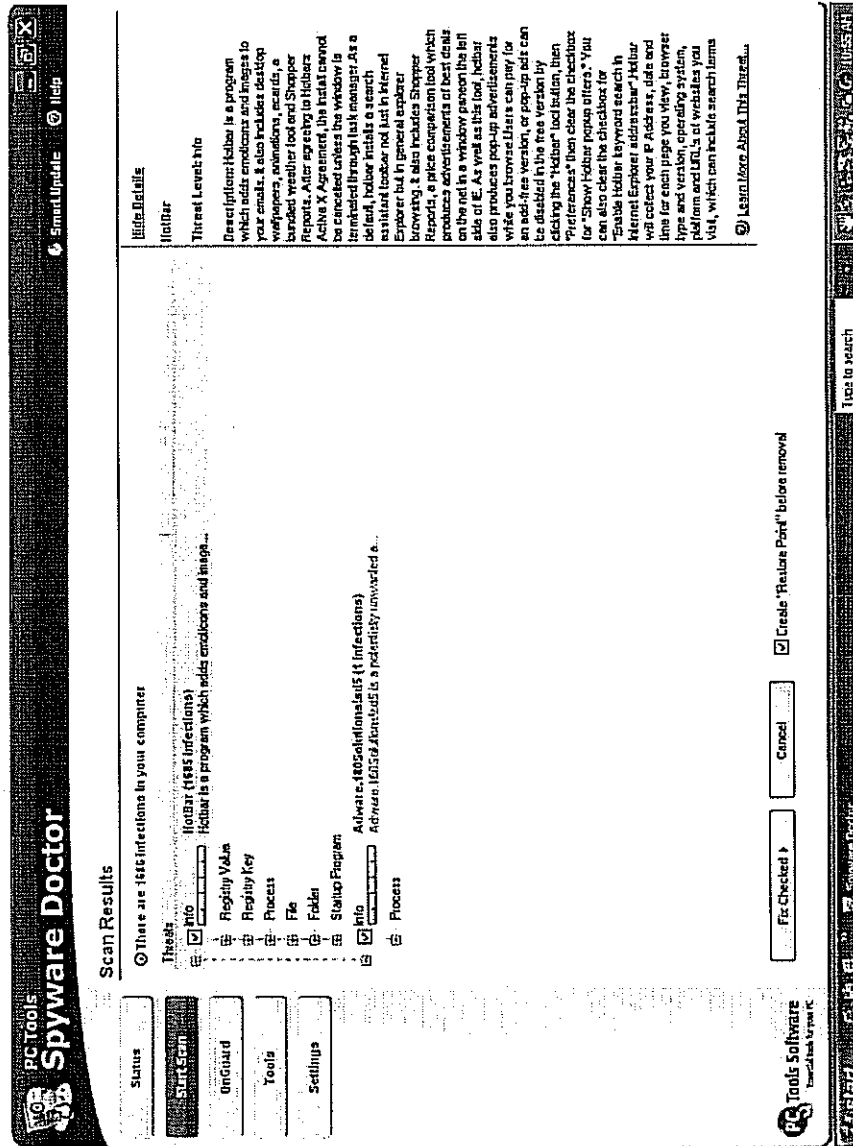## After installation popups and email toolbar feature work:

Spyware Doctor vs. Hotbar

Can't activate the Hotbar premium license

We are sorry, due to a technical problem your subscription was not activated.
For further assistance please contact our Support Team

Click here to close window

zango

Spyware Doctor vs. Hotbar

Scan Results - Still detects Hotbar and removes it completely when choosing "Fix checked":

Thank You

[zango]

10